



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

June 4, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVAL OF AMENDMENT TO  
SPECIALTY MEDICAL SERVICES AGREEMENT (HOSPITALIST  
SERVICES FOR TRAUMA CARE) WITH USC SURGEONS, INC.  
(SUPERVISORIAL DISTRICT 1)  
(3 VOTES)**

**SUBJECT**

Request Board approval to amend Specialty Medical Services Agreement No. H-703122 with USC Surgeons, Inc., extending the term to allow LAC+USC Medical Center to fully expend the allocated State Trauma funds for specialty physician and surgeon services in the trauma center, effective July 1, 2008 through June 30, 2011, or until the State Trauma Care Funding has been fully expended, with no change to the maximum obligation.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Interim Director of the Department of Health Services (DHS or Department), or his designee, to sign Amendment No. 1 to Specialty Medical Services Agreement (Hospitalist Services for Trauma Care) No. H-703122 with USC Surgeons Inc. (USC Surgeons), to extend the Agreement term for an additional three years, effective July 1, 2008 through June 30, 2011, or until the State Trauma Care Funding has been fully expended, to allow for the continued provision of critically needed specialty physicians and surgeons to augment trauma center coverage on an on-call and on-site basis at LAC+USC Medical Center (LAC+USC) and provide LAC+USC additional time to fully expend the appropriated State Trauma Care Funding, with no change to the maximum obligation.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended action will enable the Department to continue to utilize the critically needed specialty physicians and surgeons, who are qualified affiliates of USC Surgeons, to augment trauma center coverage on an on-call and on-site basis at LAC+USC, until the State Trauma Care Funding has been fully expended.

### **FISCAL IMPACT/FINANCING**

There is no change to the total County maximum obligation for Amendment No. 1 to Specialty Medical Services Agreement No. H-703122. The original total maximum obligation in the amount of \$205,575 is 100 percent funded by State Trauma Care Funds, and will remain the same for the Amendment extension term. The State Trauma Care Funds were previously approved for acceptance and distribution by your Board, with no deadline for expenditure by each eligible trauma center.

Funding is included in the Department's Fiscal Year 2008-09 Proposed Budget and will be requested in future fiscal years.

### **FACTS AND PROVISIONAL/LEGAL REQUIREMENTS**

On July 11, 2006, the Board approved the distribution of State Trauma Care Funds in the total amount of \$2,194,423, to eligible trauma centers in Los Angeles County. Of this amount, \$205,575 was awarded to LAC+USC primarily for the preservation or restoration of specialty physician and surgeon on call coverage essential for trauma services.

On January 15, 2008, the Board approved Specialty Medical Services Agreement No. H-703122 with USC Surgeons to provide specialty physicians and surgeons to augment trauma center coverage on an on-call and on-site basis at LAC+USC, in the amount of \$205,575, 100 percent offset by State Trauma Care Funds, effective upon Board approval through June 30, 2008.

DHS has recently become aware that USC Surgeons was unable to expend the total maximum obligation by June 30, 2008 and will need additional time to utilize the remaining funds. The Department is recommending extending the Agreement term to enable the continuation of specialty physicians and surgeons essential for trauma services at LAC+USC until the appropriated State Trauma Care Funding is exhausted.

USC Surgeons will continue to be reimbursed for the specialty medical services of its specialty physicians and surgeons on an hourly rate basis to augment on-site trauma

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center coverage, and a daily rate for on-call coverage for trauma services, at LAC+USC. The rates are consistent with those approved by the Board on June 29, 2004 and August 16, 2005.

County Counsel has reviewed and approved the Agreement (Exhibit I) as to use and form.

### **CONTRACTING PROCESS**

DHS has previously advised the Board that no competitive bid was conducted for this service and USC Surgeons was recommended for contracted services, on the following basis: 1) its affiliates are the current provider of specialty physicians and surgeons for trauma services at LAC+USC through the Medical School Operating Agreement with the University of Southern California; 2) LAC+USC has determined that the patient needs will be better served by continuing the long-standing relationship between the USC Surgeons specialty physicians and surgeons who currently perform trauma services; and 3) they are uniquely qualified and possess the expertise, and knowledge needed for the delivery of trauma services.

It is not appropriate to advertise amendments on the Doing Business with Us Website as a business opportunity.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval of the recommended action will help to ensure continued trauma services for patients at LAC+USC.

### **CONCLUSION**

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
MLM:LT:yb

Attachment

c: County Counsel  
Interim Director, Department of Health Services

**EXHIBIT I**

Contract No. H-703122-1

SPECIALTY MEDICAL SERVICES AGREEMENT  
(Hospitalist Services for Trauma Care)

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2008,

by and between	COUNTY OF LOS ANGELES (hereafter "County"),
and	USC SURGEONS, INC. (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "SPECIALTY MEDICAL SERVICES AGREEMENT (Hospitalist Services for Trauma Care)", dated January 15, 2008, and further identified as County Agreement No. H-703122 (hereafter referred to as "Agreement"); and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by both parties; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend the term for specialty medical services scheduled to expire on June 30, 2008, for an additional three (3) years through June 30, 2011, or until the appropriated State Trauma Care Funds have been fully expended, and make the changes described hereinafter.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall be effective July 1, 2008.

2. Paragraph 1, TERM AND TERMINATION, of the Agreement shall be deleted in its entirety and replaced with the following:

"1. TERM AND TERMINATION: The term of this Agreement shall be effective January 15, 2008, and shall continue in full force and effect to and including June 30, 2011, or until the appropriated State Trauma Care Funding has been completely exhausted.

All provisions in effect on June 30, 2008 shall remain in effect through June 30, 2011, or until the State Trauma Care Funding has been completely exhausted. Contractor shall be compensated according to the same payment provisions and same rate(s) specified for the initial term of the Agreement.

Notwithstanding any other provision of this Agreement, this Agreement may be terminated at any time by either party, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the other.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its hospitalists, fail to

comply with the terms of this Agreement or any directions by or on behalf of County issued pursuant hereto.

County may also terminate this Agreement immediately if Contractor, its officers, employees or agents, including its hospitalists, engage in, or if County has reasonable justification to believe that Contractor, or such employees, or agents, including Contractor's hospitalists, may be engaging in, a course of conduct which poses an imminent danger to the life or health of County patients.

County's failure to exercise this right of termination shall not constitute waiver of such right, and the same may be exercised at any subsequent time.

Immediate termination hereunder shall be effected by delivery to Contractor of a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination".

3. Paragraph 2, MAXIMUM OBLIGATION OF COUNTY, of Agreement Exhibit B, "BILLING, PAYMENT, MAXIMUM OBLIGATION AND SCHEDULE OF RATES", shall be deleted in its entirety and replace with the following:

"2. MAXIMUM OBLIGATION OF COUNTY: During the term of this Agreement, January 15, 2008 through June 30, 2011, or until the appropriated State Trauma Care Funding has been completely exhausted, the maximum obligation of County for all services provided hereunder shall not exceed Two Hundred

Five Thousand, Five Hundred and Seventy-Five Dollars  
(\$205,575).

The payment obligations of County under this Agreement are at all times contingent upon State Trauma Care Funding appropriated for this Agreement, to compensate Contractor for services specified herein. In the event that such funds expire prior to June 30, 2011, or prior to fully expending the State Trauma Care Funds, then this Agreement shall be deemed to have terminated on the date which funds expired. County shall notify Contractor in writing of such at the earliest possible date.

4. Except for the changes set forth hereinabove, the Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

\_\_\_\_\_  
USC SURGEONS, INC.  
Contractor

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM  
BY THE OFFICE OF THE COUNTY COUNSEL  
RAYMOND G. FORTNER  
County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Health Services

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division